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RURAL DEVELOPMENT AND PANACEA AREA WATER SYSTEM, INC. CELEBRATE EARTH DAY WITH CHECK CEREMONY FOR WATER SYSTEM EXPANSION

PANACEA, FL, April 22, 2004 — Today, USDA Rural Development and the Panacea Area Water System, Inc. joined forces marking the official kickoff of improvements to the community water system and to celebrate Earth Day. Today's ceremonial check signing event reinforces the commitment made by the Panacea Area Water System and Rural Development in improving the quality of life and health of area residents while protecting the environment as well.

The Panacea Area Water System, located in the southwestern part of Wakulla County, serves the communities of Panacea, Panacea Park and development along Mashes Island and Surf Road. The community is a low-income area with its economy heavily dependent on public sector jobs, tourism and seasonal residents, and to a limited extent, fishing and shellfishing in the Gulf of Mexico. The water system service area is bounded to the north and west by the St. Marks National Wildlife Refuge while Dickerson Bay forms the eastern boundary and Ochlocknee Bay forms the southern boundary. The system currently serves a population of 3,500 persons with 1,010 residential and commercial connections.

The aging water system is utilizing what is now recognized as unsafe A-C pipe installed many years ago. The growing area is also in need of an improved distribution system to meet peak demand, provide fire protection, and to maintain the required operating pressures throughout the system. Additionally, the distribution system has a large asbestos cement component, the pumping equipment at the wells is old and inefficient and the control systems are malfunctioning. Rural Development financial assistance of \$2,764,500 will provide for replacement of the major distribution lines throughout the Panacea Area Water System Service Area, rehabilitation of one of the two elevated storage tanks, replacement of one well and rehabilitation of the other two wells currently in service.

USDA Rural Development is working with communities across America to improve rural water and sewage systems that will benefit rural communities through cleaner water, recreation and wildlife resources. "On Earth Day 2004, we take the opportunity to highlight what USDA's Rural Development is doing for our environment through community water and wastewater infrastructure programs," said Charles W. Clemons, Sr., Rural Development State Director. "When President Bush was in Iowa last week, he talked about the importance of a strong economy and vibrant rural America. He was talking about you and this community. He knows that we have to create an environment that spurs business development and job growth. This investment is not only taking care of the needs of your community today, it is going to hopefully pay dividends for years to come."

USDA Rural Development is committed to the future of rural communities, and today, as Panacea Water System embarks on the expansion project, residents and the environment will benefit from continued efforts to be good stewards of the land and the environment. Rural Development is the lead Federal entity for rural development needs and administers financial and technical assistance through Rural Housing Programs, Rural Business-Cooperative Programs and Rural Utilities Programs. Further information on USDA Rural Development can be obtained by contacting any USDA Service Center or by visiting USDA's web site at http://www.rurdev.usda.gov/fl